GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:580
ANSWERED ON:20.02.2003
ROYALTY DEMANDED BY SHELL GAS BV
PRABHA RAU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Shell Gas BV has set up its two subsidiaries to implement the 2.5 million metric tonne per annum liquefied natural gas terminal and LNG receiving terminal project at Hazira Port;

(b) if so, whether the Shell has been demanding royalty of 16.08 million for technology transfer;

(c) if so, whether the royalty demanded by the company is alleged to be too much on the high side;

(d) if so, whether the question of royalty has been resolved; and

(e) if so, the amount of royalty agreed to be paid to the company?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) Yes, Sir.

(b) to (e) M/s Hazira LNG Private Ltd. and M/s Hazira Port Private Ltd., companies of Shell Group of Companies had sought permission for payment of lump sum license fee of Euro 5,42,800 and Euro 10,647,000 respectively in consideration of the license of the technology provided by their foreign collaborators M/s Shell Gas BV as per approved Technology License Agreement.This amount of license fee was covered under the overall project cost and is determined on the basis of commercial consideration and the Technology License Agreement signed for the purpose. After due consideration Government has granted permission for payment of above license fee.